

CARRERAS GROUP 1996

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 1996

1. THE COMPANY

THE COMPANY IS INCORPORATED UNDER THE LAWS OF JAMAICA AND THESE FINANCIAL STATEMENTS ARE PRESENTED IN JAMAICAN DOLLARS. ITS PRINCIPAL ACTIVITY IS THE PROVISION OF MANAGEMENT AND OTHER SERVICES TO ITS OPERATING SUBSIDIARY COMPANIES DETAILS OF WHICH ARE SET OUT IN NOTE 20.

2. SIGNIFICANT ACCOUNTING POLICIES

(A) ACCOUNTING CONVENTION:

THE FINANCIAL STATEMENTS ARE PREPARED UNDER THE HISTORICAL COST CONVENTION, MODIFIED FOR THE INCLUSION OF QUOTED EQUITY INVESTMENTS, INVESTMENT PROPERTIES AND CERTAIN FIXED ASSETS AT VALUATION.

(B) BASIS OF CONSOLIDATION:

THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDE THE FINANCIAL STATEMENTS OF THE COMPANY AND ALL ITS SUBSIDIARIES, MADE UP TO MARCH 31, 1996.

THE COMPANY AND ITS SUBSIDIARY COMPANIES ARE COLLECTIVELY REFERRED TO

IN THE FINANCIAL STATEMENTS AS "THE GROUP".

ALL SIGNIFICANT INTRA-GROUP TRANSACTIONS HAVE BEEN ELIMINATED.

(C) FIXED ASSETS AND DEPRECIATION:

FREEHOLD LAND IS RESTATED AT CURRENT MARKET VALUE, AND BUILDINGS ARE REVALUED ON THE GROSS REPLACEMENT COST BASIS BY INDEPENDENT, QUALIFIED VALUATORS, EVERY THREE YEARS. AT THE END OF EACH OF THE INTERVENING YEARS BETWEEN SUCH VALUATIONS, THE GROSS REPLACEMENT COST OF BUILDINGS IS ADJUSTED BY INDICES PROVIDED BY THESE VALUATORS.

FURTHER, CERTAIN MAJOR ITEMS OF PLANT AND MACHINERY ARE REVALUED BY THE DIRECTORS ON CURRENT REPLACEMENT COST, USING EXTERNALLY PROVIDED BASES, AS FOLLOWS:

(I) WHERE THE EXISTING ASSETS CANNOT BE REPLACED BY EQUIVALENT SECOND-HAND ASSETS, GROSS REPLACEMENT COST IS USED.

(II) WHERE THE EXISTING ASSETS CAN BE REPLACED BY EQUIVALENT SECOND-HAND ASSETS, CURRENT MARKET REPLACEMENT COST IS USED.

WITH THE EXCEPTION OF FREEHOLD LAND ON WHICH NO DEPRECIATION IS PROVIDED FIXED ASSETS ARE DEPRECIATED ON A STRAIGHT LINE BASIS, OVER THE ESTIMATED USEFUL LIVES OF SUCH ASSETS, AT THE FOLLOWING ANNUAL RATES:

BUILDINGS	1.4%	TO	6.7%
MACHINERY AND EQUIPMENT	2.4%	TO	20%
MOTOR VEHICLES	10%	TO	33.3%
LEASEHOLD IMPROVEMENTS	2%	TO	10%

FOR FURNISHED HOTEL PROPERTY, A PERCENTAGE OF GROSS HOTEL REVENUE IS TRANSFERRED TO A RESERVE FOR REPLACEMENT. THE DIRECTORS ESTIMATE THAT THIS CHARGE IS SUFFICIENTLY REPRESENTATIVE OF THE CONSUMPTION OF ASSETS FOR THE YEAR.

THE ANNUAL CHARGE FOR DEPRECIATION IS BASED ON COST OR VALUATION WHERE APPROPRIATE. ANY ADDITIONAL DEPRECIATION ATTRIBUTABLE TO PRIOR YEARS IN

RESPECT OF THE ANNUAL REVALUATION OF ASSETS IS CHARGED TO CAPITAL RESERVE.

(D) INVESTMENT PROPERTIES:

INVESTMENT PROPERTIES ARE REVALUED AT REGULAR INTERVALS TO REFLECT CURRENT MARKET VALUE BY PROFESSIONAL VALUATORS AND CHARTERED SURVEYORS.

(E) REPLACEMENT RESERVE:

A PERCENTAGE OF GROSS HOTEL REVENUE IS CREDITED TO A RESERVE FOR REPLACEMENT OF FURNISHED HOTEL PROPERTY. REPLACEMENTS ARE CHARGED AGAINST THE RESERVE AS INCURRED.

(F) REINSURANCE PREMIUMS CEDED AND UNEARNED PREMIUM RESERVE:

REINSURANCE PREMIUMS CEDED ARE RECORDED ON A PRO RATA TIME BASIS OVER THE TERMS OF THE RESPECTIVE POLICIES AND THE PREPAID PORTION AT THE BALANCE SHEET DATE IS TRANSFERRED TO PREPAID REINSURANCE PREMIUM.

(G) INSURANCE CLAIM RESERVE:

A PERCENTAGE OF NET INSURANCE INCOME IS TRANSFERRED TO A RESERVE TO BE HELD FOR FUTURE CLAIMS UNDER ITS HURRICANE AND EARTHQUAKE CATASTROPHE POLICIES.

(H) INVENTORIES:

INVENTORIES ARE VALUED AT THE LOWER OF COST, DETERMINED PRINCIPALLY ON A WEIGHTED AVERAGE BASIS, AND ESTIMATED REALISABLE VALUE. THE VALUATION OF WORK-IN-PROGRESS AND FINISHED PRODUCTS INCLUDES A RELEVANT PORTION OF PRODUCTION LABOUR AND OVERHEADS.

(I) FOREIGN CURRENCIES:

FOREIGN CURRENCY BALANCES OUTSTANDING AT THE BALANCE SHEET DATE ARE TRANSLATED AT THE RATES OF EXCHANGE RULING ON THAT DATE.

TRANSACTIONS IN FOREIGN CURRENCIES ARE CONVERTED AT THE RATES OF EXCHANGE RULING AT THE DATES OF THOSE TRANSACTIONS.

GAINS AND LOSSES ARISING FROM FLUCTUATIONS IN EXCHANGE RATES HAVE BEEN INCLUDED IN THE PROFIT AND LOSS ACCOUNT, WITH THE EXCEPTION OF GAINS AND LOSSES ON LOANS IN RESPECT OF THE DEVELOPMENT OF HOTEL PROPERTY WHICH ARE INCLUDED IN THE COST OF THESE ASSETS.

(J) DEFERRED TAXATION:

ALL TIMING DIFFERENCES RESULTING FROM THE REPORTING OF INCOME AND EXPENSE ITEMS DIFFERENTLY FOR TAX AND FINANCIAL STATEMENTS PURPOSES ARE ACCOUNTED FOR AS DEFERRED TAXATION AT EXPECTED APPLICABLE RATES, EXCEPT WHERE IT IS THOUGHT REASONABLY PROBABLE THAT THE TAX EFFECTS OF SUCH DEFERRALS WILL CONTINUE FOR THE FORESEEABLE FUTURE.

(K) INVESTMENTS:

QUOTED EQUITY INVESTMENTS ARE SHOWN AT THE LOWER OF COST AND MARKET VALUE. OTHER INVESTMENTS ARE SHOWN AT COST.

3. TURNOVER

TURNOVER REPRESENTS THE INVOICED VALUE OF PRODUCTS AND SERVICES SOLD BY THE GROUP AND IS STATED INCLUSIVE OF SPECIAL CONSUMPTION TAXES AMOUNTING TO \$898,002,052 (1995: \$721,461,441) AND EXCLUDES INTRA-GROUP TRADING.

4. EXCEPTIONAL ITEMS

	1996 \$'000	1995 \$'000
REDUNDANCY AND REORGANISATION COSTS	46,396	5,780
FIXED ASSETS WRITTEN-OFF	9,396	-
STOCK WRITE-OFF	1,232	691
TOBACCO CROP LOSSES	<u>706</u>	<u>3,075</u>

57,730

9,546

5. PROFIT BEFORE TAXATION

PROFIT BEFORE TAXATION IS STATED AFTER TAKING ACCOUNT OF THE FOLLOWING ITEMS:

	1996 \$'000	1995 \$'000
DEPRECIATION	48,203	41,775
TRANSFER TO RESERVE FOR REPLACEMENT OF FURNISHED HOTEL PROPERTY	19,550	13,832
INTEREST:		
OVERDRAFTS AND SHORT TERM BORROWINGS	83	1,086
FIXED LOANS	4,637	9,500
AUDITORS' REMUNERATION	5,129	3,870
REMUNERATION OF DIRECTORS:		
AS DIRECTORS	16	16
MANAGEMENT SERVICES	7,771	6,122
LOSS/(PROFIT) ON DISPOSAL OF FIXED ASSETS	5,884	(3,194)
EXCHANGE GAINS	(186,434)	(8,236)
INTEREST INCOME	(503,216)	(326,701) *
INVESTMENT INCOME	<u>(115,382)</u>	<u>(74,771) *</u>

* RECLASSIFIED TO CONFORM WITH CURRENT YEAR PRESENTATION.

6. TAXATION

TAXATION, BASED ON THE PROFIT FOR THE YEAR ADJUSTED FOR TAXATION PURPOSES, IS MADE UP AS FOLLOWS:

	1996 \$'000	1995 \$'000
INCOME TAX @ 33 1/3%	496,808	368,854
ADJUSTMENT IN RESPECT OF PRIOR YEARS (73,757)	(73,757)	(51,399)
DEFERRED TAXATION	<u>58,312</u>	<u>15,092</u>

481,363

332,547

(A) PROFITS FOR THE YEAR ARISING FROM PRESCRIBED AGRICULTURAL ACTIVITIES AND RELIEVED FROM TAXATION AMOUNT TO \$66,958,000 (1995: \$60,498,000) .

(B) AT MARCH 31, 1996, TAX LOSSES IN SUBSIDIARIES AMOUNTING TO \$352,965 (1995: \$46,051,000) ARE AVAILABLE FOR SET OFF AGAINST FUTURE TAXABLE PROFITS, SUBJECT TO AGREEMENT BY THE COMMISSIONER OF INCOME TAX.

7. NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS

1996
\$'000

1995
\$'000

NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS,
DEALT WITH IN THE FINANCIAL STATEMENTS
OF THE COMPANY

496,758

280,941

8. DIVIDENDS

1996
\$'000

1995
\$'000

INTERIM DIVIDEND OF 25 CENTS (1995: 25 CENTS)
PAID

60,680

30,340

INTERIM DIVIDEND OF 45 CENTS (1995: 45 CENTS)
PROPOSED

109,224

54,612

169,904

84,952

FINAL DIVIDEND OF 65 CENTS (1995: 65 CENTS)
PROPOSED

157,768

157,768

327,672

242,720

THE 1995 FINAL DIVIDEND OF 65 CENTS PER STOCK UNIT WAS COMPUTED ON THE

INCREASED STOCK UNITS IN ISSUE AFTER THE 1:1 BONUS ISSUE (SEE NOTE 11(11)).

UNDER THE PROVISIONS OF THE INCOME TAX (APPROVED FARMER) ORDER 1983, AND THE INCOME TAX (APPROVED FARMER) (NO. 3) ORDER 1993, THE COMPANY IS EXEMPT FROM DEDUCTING INCOME TAX ON DIVIDENDS PAID TO RESIDENTS IN JAMAICA, OUT OF TAX-RELIEVED PROFITS DERIVED FROM PRESCRIBED AGRICULTURAL ACTIVITIES.

9. RESERVES

	CAPITAL RESERVES			REVENUE RESERVES		TOTAL
	REALISED	UNREALISED	REPLACE- MENT RESERVE	UNAPPRO- PRIATED PROFITS	INSURANCE CLAIMS	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
THE GROUP						
BALANCE AT						
MARCH 31, 1995	40,575	1,464,334	4,788	1,766,273	33,438	3,309,408
PROVISION FOR THE YEAR	-	-	19,550	-	-	19,550
RETAINED PROFIT FOR THE YEAR	-	-	-	954,710	-	954,710
TRANSFER FROM/(TO) PROFIT AND LOSS ACCOUNT	3,476	(10,731)	-	-	57,560	50,305
UTILISATION FOR THE YEAR	-	-	(14,103)	-	-	(14,103)
TRANSLATION GAIN ON FOREIGN SUBSIDIARY	-	6,191	-	-	10,950	17,141
CAPITALISATION FOR BONUS ISSUE	-	-	-	(30,340)	-	(30,340)
REVALUATION ADJUSTMENTS	-	260,557	-	-	-	260,557
BALANCE AT						
MARCH 31, 1996	<u>44,051</u>	<u>1,720,351</u>	<u>10,235</u>	<u>2,690,643</u>	<u>101,948</u>	<u>4,567,228</u>
THE COMPANY						
BALANCE AT						
MARCH 31, 1995	7,978	156,952	-	263,408	-	428,338
RETAINED PROFIT FOR YEAR	-	-	-	138,188	-	138,188

TRANSFER FROM PROFIT AND						
LOSS ACCOUNT	558	-	-	-	-	558
REVALUATION ADJUSTMENTS	-	65,890	-	-	-	65,890
BALANCE AT						
MARCH 31, 1996	<u>8,536</u>	<u>222,842</u>	<u>-</u>	<u>401,596</u>	-	<u>632,974</u>

UNAPPROPRIATED PROFITS INCLUDE PROFITS DISTRIBUTABLE TAX FREE TO RESIDENT STOCKHOLDERS AS FOLLOWS:

- * PROFITS FROM OPERATIONS OF A SUBSIDIARY, RELIEVED FROM TAXATION UNDER THE PROVISIONS OF THE INDUSTRIAL INCENTIVES ACT, AT THE EXPIRATION OF INCENTIVE STATUS IN JUNE 1975, AGGREGATING \$581,227 (1995: \$581,227) .
- * PROFITS OF THE GROUP AND THE COMPANY ARISING FROM PRESCRIBED AGRICULTURAL ACTIVITIES AND RELIEVED FROM TAXATION AMOUNTING TO \$11,382,000 FOR THE GROUP AND \$NIL FOR THE COMPANY AT MARCH 31, 1996 (1995: \$9,959,000 FOR THE GROUP AND \$NIL FOR THE COMPANY) .
- * FRANKED INCOME OF \$6,616,000 (1995: \$5,404,757) FOR THE GROUP AND THE COMPANY.

10. EARNINGS PER ORDINARY STOCK UNIT

THE CALCULATION OF EARNINGS PER STOCK UNIT IS BASED ON THE PROFIT ATTRIBUTABLE TO STOCKHOLDERS AND ON THE 242,720,000 STOCK UNITS IN ISSUE AFTER A 1:1 BONUS ISSUE DURING THE YEAR (NOTE 11). EARNINGS PER STOCK UNIT FOR 1995 HAVE BEEN ADJUSTED ACCORDINGLY.

11. SHARE CAPITAL

	1996	1995
	\$'000	\$'000
AUTHORIZED:		
242,720,000 (1995: 121,360,000)		
ORDINARY SHARES OF 25 CENTS EACH	60,680	30,340
ISSUED AND FULLY PAID:		
242,720,000 (1995: 121,360,000)		

ORDINARY STOCK UNITS OF 25 CENTS EACH	60,680	30,340
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AT AN ANNUAL GENERAL MEETING HELD ON SEPTEMBER 15, 1995 THE FOLLOWING RESOLUTIONS WERE PASSED:

- (1) TO INCREASE THE AUTHORISED SHARE CAPITAL TO \$60,680,000 BY 121,360,000 ORDINARY SHARES OF 25 CENTS EACH.
- (11) TO MAKE A BONUS ISSUE OF 121,360,000 ORDINARY SHARES OF 25 CENTS EACH, FULLY PAID BY A CAPITALISATION OF CURRENT YEAR PROFITS. THE SHARES ON ISSUE WERE CONVERTED TO STOCK UNITS.

12. LONG-TERM LOANS

	THE GROUP		THE COMPANY	
	1996	1995	1996	1995
	\$'000	\$'000	\$'000	\$'000
(1) 16% BANK LOAN	12,625	16,832	-	-
(1V) 17-20% BANK LOANS	<u>357</u>	<u>1,072</u>	<u>-</u>	<u>-</u>
	12,982	17,904	-	-
LESS: CURRENT MATURITIES	<u>4,564</u>	<u>4,922</u>	-	-
	<u>8,418</u>	<u>12,982</u>	<u>-</u>	<u>-</u>

- (1) THIS LOAN IS REPAYABLE IN QUARTERLY INSTALMENTS. THE LAST INSTALMENT BEING DUE IN THE YEAR 2001.
- (11) THESE LOANS ARE BEING REPAYED IN QUARTERLY INSTALMENTS, THE LAST INSTALMENT BEING DUE IN SEPTEMBER 1996.

13. INVENTORIES

	THE GROUP		THE COMPANY	
	1996	1995	1996	1995
	\$'000	\$'000	\$'000	\$'000
FINISHED LEAF	63,680	92,958	-	-
TOBACCO LEAF CROP IN PROGRESS	77,252	35,238	-	-

MATERIAL AND SUPPLIES	123,704	110,852	570	546
WORK-IN-PROGRESS	5,497	3,468	-	-
FINISHED PRODUCTS	60,879	48,550	-	-
	<u>331,012</u>	<u>291,066</u>	<u>570</u>	<u>546</u>

14. ACCOUNTS PAYABLE

ACCOUNTS PAYABLE FOR THE GROUP INCLUDE:

	1996	1995
	\$ '000	\$ '000
SPECIAL CONSUMPTION TAX PAYABLE	63,206	52,458
PAYABLE TO ASSOCIATED COMPANIES	<u>10,977</u>	<u>5,968</u>

15. INVESTMENTS

	THE GROUP		THE COMPANY	
	1996	1995	1996	1995
	\$ '000	\$ '000	\$ '000	\$ '000
QUOTED				
EQUITIES, AT COST	32,177	32,177	32,177	32,177
LESS PROVISION FOR				
DIMINUTION IN VALUE	(2,200)	-	(2,200)	-
CARRYING VALUE	<u>29,977</u>	<u>32,177</u>	<u>29,977</u>	<u>32,177</u>
LOCAL REGISTERED STOCK, AT COST	<u>376,811</u>	<u>217,000</u>	<u>376,811</u>	<u>217,000</u>
	406,788	249,177	406,788	249,177
UNQUOTED, AT COST	<u>208,231</u>	<u>101,418*</u>	<u>144,204</u>	<u>47,970*</u>
	<u>615,019</u>	<u>350,595*</u>	<u>550,992</u>	<u>297,147*</u>
MARKET VALUE OF QUOTED				
EQUITIES AND LOCAL				
REGISTERED STOCK	<u>405,846</u>	<u>295,627</u>	<u>405,846</u>	<u>295,627</u>

* RECLASSIFIED TO CONFORM WITH CURRENT YEAR PRESENTATION.

16. FIXED ASSETS

	FREEHOLD LAND	BUILDINGS	MACHINERY, EQUIPMENT & VEHICLES	TOTAL
	\$ '000	\$ '000	\$ '000	\$ '000
THE GROUP				
AT COST OR VALUATION:				
MARCH 31, 1995	122,495	1,493,731	514,658	2,130,884
ADDITIONS	37	11,865	9,813	21,715
REVALUATION ADJUST- MENTS	-	310,954	89,865	400,819
DISPOSALS	-	(17,138)	(33,551)	(50,689)
MARCH 31, 1996	<u>122,532</u>	<u>1,799,412</u>	<u>580,785</u>	<u>2,502,729</u>
BROKEN DOWN AS FOLLOWS:				
AT COST	1,922	78,610	62,530	143,062
AT VALUATION	<u>120,610</u>	<u>1,720,802</u>	<u>518,255</u>	<u>2,359,667</u>
	<u>122,532</u>	<u>1,799,412</u>	<u>580,785</u>	<u>2,502,729</u>
DEPRECIATION:				
MARCH 31, 1995	-	294,956	241,157	536,113
CHARGE FOR THE YEAR	-	14,799	33,404	48,203
REVALUATION ADJUST- MENTS	-	102,961	36,591	139,552
ELIMINATED ON DIS- POSALS	-	(7,977)	(29,666)	(37,643)
MARCH 31, 1996	-	<u>404,739</u>	<u>281,486</u>	<u>686,225</u>
NET BOOK VALUES:				
MARCH 31, 1996	122,532	1,394,673	299,299	1,816,504

MARCH 31, 1995	122,495	1,198,775	273,501	1,594,771
AT COST OR VALUATION				
MARCH 31, 1995	6,505	280,439	2,813	289,757
ADDITIONS	37	-	1,613	1,650
REVALUATION ADJUST- MENTS	-	113,519	-	113,519
DISPOSALS	-	-	(40)	(40)
MARCH 31, 1996	6,542	393,958	4,386	404,886
BROKEN DOWN AS FOLLOWS:				
AT COST	42	135	4,386	4,563
AT VALUATION	6,500	393,823	-	400,323
	6,542	393,958	4,386	404,886
DEPRECIATION:				
MARCH 31, 1995	-	117,673	1,189	118,862
CHARGE FOR THE YEAR	-	5,940	523	6,463
REVALUATION ADJUST- MENTS	-	47,629	-	47,629
RELEASED ON DISPOSALS	-	-	(20)	(20)
MARCH 31, 1996	-	171,242	1,692	172,934
NET BOOK VALUES:				
MARCH 31, 1996	<u>6,542</u>	<u>222,716</u>	<u>2,694</u>	<u>231,952</u>

MARCH 31, 1995	<u>6,505</u>	<u>162,766</u>	<u>1,624</u>	<u>170,895</u>
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THE GROUP'S BUILDINGS INCLUDE FURNISHED HOTEL PROPERTY AT A VALUATION OF \$967,419,000 (1995: \$865,527,000) .

ALL REVALUATION ADJUSTMENTS IN THESE FINANCIAL STATEMENTS HAVE BEEN REFLECTED IN CAPITAL RESERVE, NET OF DEPRECIATION (NOTE 9) .

17. RELATED PARTY TRANSACTIONS

		1996	1995
		\$'000	\$'000
(A) PURCHASES FROM ASSOCIATED COMPANIES	- RAW MATERIALS	32,447	6,146
	- FIXED ASSETS	1,099	89
	- OTHER CHARGES	<u>6,257</u>	<u>13,594</u>
(B) TECHNICAL FEES PAID TO ASSOCIATED COMPANY		<u>3,861</u>	<u>3,601</u>

18. PENSION PLAN

THE GROUP PARTICIPATES IN THE CARRERAS GROUP LIMITED SUPERANNUATION SCHEME. THE SCHEME PROVIDES PENSION BENEFITS CALCULATED BY THE REFERENCE TO EARNINGS IN THE THREE YEARS PRIOR TO RETIREMENT, AND IS FUNDED BY CONTRIBUTIONS FROM EMPLOYEES AT A FIXED RATE WITH THE PARTICIPATING EMPLOYERS BEING RESPONSIBLE FOR MEETING THE BALANCE OF THE COSTS OF THE SCHEME.

THE SCHEME IS SUBJECT TO PERIODIC ACTUARIAL VALUATIONS CARRIED OUT BY AN INDEPENDENT FIRM OF CONSULTING ACTUARIES. THE MOST RECENT ACTUARIAL VALUATION CARRIED OUT AS AT DECEMBER 31, 1995, DISCLOSED THAT THE ACCUMULATED ASSETS OF THE SCHEME WERE, ON THE BASIS OF VALUATION ADOPTED, SUFFICIENT TO MEET THE LIABILITIES ARISING IN RESPECT OF SERVICE UP TO DECEMBER 31, 1995.

THE CONTRIBUTIONS DURING THE YEAR AGGREGATED \$9,636,000 (1995: \$7,283,000) FOR THE GROUP AND \$717,000 (1995: \$501,000) FOR THE COMPANY.

19. NATIONAL HOUSING TRUST CONTRIBUTIONS

CONTRIBUTIONS TO THE NATIONAL HOUSING TRUST WHICH WERE EXPENSED FOR THE PERIOD TO JULY 31, 1979 AND ARE REFUNDABLE BETWEEN 2001/2005, ARE AS FOLLOWS:

	\$'000
THE GROUP	622
THE COMPANY	13

20. SUBSIDIARY COMPANIES

THE OPERATING SUBSIDIARY COMPANIES, ALL OF WHICH ARE INCORPORATED IN JAMAICA EXCEPT AS NOTED BELOW, ARE AS FOLLOWS:

NAME OF COMPANY	PRINCIPAL ACTIVITY	PERCENTAGE OF ORDINARY SHARES HELD BY THE COMPANY
CIGARETTE COMPANY OF JAMAICA LIMITED	MANUFACTURING AND MARKETING OF CIGARETTES.	91
AGRICULTURAL PRODUCTS OF JAMAICA LIMITED	FARMING AND SALES OF TOBACCO.	100
JAMAICA BISCUIT COMPANY LIMITED	MANUFACTURING AND MARKETING OF BISCUITS	100
GRAPHIC ARTS LIMITED	PRODUCING PACKAGING MATERIALS.	100
JAMAICA FLEXOGRAPHIC LIMITED	PRINTING PACKAGING MATERIALS.	100

SANS SOUCI DEVELOPMENT LIMITED AND ITS SUBSIDIARY, SANS SOUCI LIMITED	OPERATORS AND MANAGERS OF HOTEL PROPERTY AND DEVELOPERS OF REAL ESTATE	100
TWICKENHAM INSURANCE COMPANY (INCORPORATED IN THE CAYMAN ISLANDS)	GENERAL INSURANCE UNDER- WRITERS	100

21. LEASE COMMITMENTS

UNEXPIRED LEASE COMMITMENTS AT MARCH 31, ARE PAYABLE AS FOLLOWS:

	THE GROUP		THE COMPANY	
	1996	1995	1996	1995
	\$'000	\$'000	\$'000	\$'000
WITHIN ONE YEAR	19,538	16,547	5,310	4,724
SUBSEQUENT YEARS	<u>17,516</u> <u>37,054</u>	<u>19,050</u> <u>35,597</u>	<u>2,182</u> <u>7,492</u>	<u>2,895</u> <u>7,619</u>

LEASE PAYMENTS MADE DURING THE YEAR ENDED MARCH 31, AGGREGATED:

	1996	1995
	\$'000	\$'000
THE GROUP	20,063	18,119
THE COMPANY	<u>4,615</u>	<u>4,654</u>

22. CONTINGENT LIABILITY

THE COMPANY HAS GIVEN, IN THE ORDINARY COURSE OF BUSINESS, GUARANTEES IN

RESPECT OF THE FACILITIES PROVIDED BY ITS BANKERS TO ITS SUBSIDIARY
COMPANIES.
